

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

BEVERLY ADKINS, CHARMAINE WILLIAMS,
REBECCA PETTWAY, RUBBIE McCOY,
WILLIAM YOUNG, on behalf of themselves and all
others similarly situated, and MICHIGAN LEGAL
SERVICES,

Plaintiffs,

v.

MORGAN STANLEY, MORGAN STANLEY &
CO. LLC, MORGAN STANLEY ABS CAPITAL I
INC., MORGAN STANLEY MORTGAGE
CAPITAL INC., and MORGAN STANLEY
MORTGAGE CAPITAL HOLDINGS LLC,

Defendants.

1:12-cv-7667-VEC-GWG

**DECLARATION OF COLIN REARDON IN SUPPORT OF DEFENDANTS'
OPPOSITION TO PLAINTIFFS' MOTION FOR CLASS CERTIFICATION**

I, COLIN REARDON, pursuant to 28 U.S.C. § 1746, hereby declare the following under penalty of perjury:

1. I am an associate at the law firm of Wilmer, Cutler, Pickering, Hale and Dorr LLP, counsel of record for Defendants in this litigation. I am a member in good standing of the bar of the State of New York and I am admitted to practice in this Court. I submit this declaration in support of Defendants' Opposition to Plaintiffs' Motion for Class Certification. I have personal knowledge of the statements contained in this declaration and, if called as a witness, could and would testify competently to the statements contained in this declaration.

2. Attached as Exhibit 1 is a true and correct copy of excerpts of the Form 10-K filed by New Century Financial Corporation on March 16, 2006, for the period ending December 31, 2005.

3. Attached as Exhibit 2 is a true and correct copy of excerpts of the February 29, 2008 Final Report of Michael J. Missal Bankruptcy Court Examiner.

4. Attached as Exhibit 3 is a true and correct copy of Shane M. Sherlund, *The Past, Present, and Future of Subprime Mortgages*, from the Finance and Discussion Series of the Divisions of Research & Statistics and Monetary Affairs of the Federal Reserve Board in Washington, DC published in 2008.

5. Attached as Exhibit 4 is a true and correct copy of Wei Li and Keith S. Ernst, *The Best Value in the Subprime Market: State Predatory Lending Reforms*, a report by the Center for Responsible Lending published in 2006.

6. Attached as Exhibit 5 is a true and correct copy of Morgan J. Rose, *Predatory Lending Practices and Subprime Foreclosures: Distinguishing Impacts by Loan Category*, published in the Journal of Economics and Business published in 2008.

7. Attached as Exhibit 6 are true and correct copies of the docket sheets from the United States Bankruptcy Court for the Eastern District of Michigan for the Chapter 13 Bankruptcy proceedings of Named Plaintiff Pettway filed in 2004 (case number 04-69607-mbm), and 2010 (case number 10-46514-swr).

8. Attached as Exhibit 7 is a true and correct copy of the docket sheet from the United States Bankruptcy Court for the Eastern District of Michigan for the Chapter 7 Bankruptcy proceeding of Named Plaintiff Adkins filed in 2005 (case number 05-87339-mbm).

9. Attached as Exhibit 8 is a true and correct copy of excerpts of the June 19, 2014 deposition of Warren Licata (pages 24-25, 29, 37-38, 58-62, and 82-84).

10. Attached as Exhibit 9 is a true and correct copy of excerpts of the June 30, 2014 deposition of William McKay (pages 27, 59, 88-89, 94-95, 97, 99, 121, 123-125, 127-129, 143-144, 153-154, 157-158, and 175).

11. Attached as Exhibit 10 is a true and correct copy of excerpts of the March 14, 2014 deposition of Eric Kaplan (pages 142 and 143).

12. Attached as Exhibit 11 is a true and correct copy of excerpts of the April 3, 2014 deposition of Francis Telesca (pages 48-49 and 99-100).

13. Attached as Exhibit 12 is a true and correct copy of excerpts of the April 2, 2014 deposition of Steven Shapiro (pages 46-49).

14. Attached as Exhibit 13 is a true and correct copy of excerpts of the February 25 & 26, 2014 deposition of Bradley Davis (pages 237-238).

15. Attached as Exhibit 14 is a true and correct copy of excerpts of the March 7, 2014 deposition of Deborah Goodman (pages 74 and 220).

16. Attached as Exhibit 15 is a true and correct copy of Exhibit 31 from the March 7, 2014 deposition of Deborah Goodman (MS00004700).

17. Attached as Exhibit 16 is a true and correct copy of excerpts of the April 2, 2014 deposition of Patricia Lindsay (pages 20-21, 133-134, 138, 143-145, 151, 164, and 172-174).

18. Attached as Exhibit 17 is a true and correct copy of excerpts of the August 29, 2014 deposition of Patricia McCoy (pages 18-22, 35, 40-41, 47-48, 50, 70-73, 81-85, 87-88, 92, 96-100, 105-106, 129-130, 132-134, 147-148, 151-152, 171-173, 181-182, 240-242, 244-246, 255-257, 262, and 307-308).

19. Attached as Exhibit 18 is a true and correct copy of excerpts of the August 22, 2014 deposition of Ian Ayres (pages 55-56, 145-146, 149-150, 225-227, 235-237, and 244-245).

20. Attached as Exhibit 19 is a true and correct copy of a January 1, 2005 letter agreement between New Century and DLJ Mortgage Capital, a subsidiary of Credit Suisse First Boston (NC_Adkins_MS 0011609 – 0011620).

21. Attached as Exhibit 20 is a true and correct copy of a December 16, 2005 letter agreement between New Century and Sutton Funding LLC, a subsidiary of Barclays Bank, PLC (NC_Adkins_MS 0013286 – 0013296), which attaches a bid letter from Barclays Bank, PLC to New Century (NC_Adkins_MS 0013297 - 0013301).

22. Attached as Exhibit 21 is a true and correct copy of a January 29, 2008 Memorandum drafted by Jeffrey Bornstein and Amanda Kostner of the law firm K&L Gates (NC_ADKINS_Plaintif_0001072 – 0001091).

23. Attached as Exhibit 22 is a true and correct copy of excerpts of the March 19, 2014 deposition of Charmaine Williams (pages 55-57, 96-97, 100-101, and 139-140).

24. Attached as Exhibit 23 is a true and correct copy of excerpts of the March 18, 2014 deposition of Rebecca Pettway (pages 169, and 178-181).

25. Attached as Exhibit 24 is a true and correct copy of Exhibit 24 from the March 18, 2014 deposition of Rebecca Pettway, a printout of a May 13, 2007 *Detroit Free Press* article, “Women, Minorities Don’t Have to Be Stuck with High Interest Rates.”

26. Attached as Exhibit 25 is a true and correct copy of Exhibit 25 from the March 18, 2014 deposition of Rebecca Pettway, a printout of a July 12, 2007 *Detroit Free Press* article, “NAACP Files Discrimination Suit Against Mortgage Lenders.”

27. Attached as Exhibit 26 is a true and correct copy of Exhibit 27 from the March 18, 2014 deposition of Rebecca Pettway, a printout of an October 19, 2007 *The Detroit News* article, “Jackson: Lenders Prey on Minorities in Detroit.”

28. Attached as Exhibit 27 is a true and correct copy of an Assignment of Mortgage from New Century Mortgage Corporation to Deutsche Bank National Trust Company, as Trustee for Morgan Stanley ABS Capital I Inc. Trust 2004-HE7, Mortgage Pass-Through Certificates, Series 2004-HE-7, filed with the Wayne County Register of Deeds on January 4, 2010, for the mortgage of Named Plaintiff Rebecca Pettway (P000263).

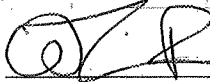
29. Attached as Exhibit 28 is a true and correct copy of excerpts of the March 19, 2014 deposition of Beverly Adkins (pages 130 and 134).

30. Attached as Exhibit 29 is a true and correct copy of the loan approval form for Leroy C. Adkins (NC_Adkins_MS_0000611 – 0000618), which is also attached as Exhibit A to the declaration of Kelly Finley in Support of Defendants’ Opposition to Plaintiffs’ Motion for Class Certification.

31. Attached as Exhibit 30 is a true and correct copy of the loan approval form for Charmaine Williams (NC_Adkins_MS0000037 – 0000040), which is also attached as Exhibit B to the declaration of Kelly Finley in Support of Defendants’ Opposition to Plaintiffs’ Motion for Class Certification.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on September 11, 2014.


Colin Reardon